

Although changes to the tariff clauses in bilateral agreements were not specifically addressed in Canada's new international air policy, it does appear that the movement away from preferred multilateral tariff coordination and towards providing carriers with the option for competitive, market-determined pricing is in keeping with a stated goal of the Canadian policy to ensure Canadians benefit from increased price competition.<sup>40</sup> The same can be said with the decision to allow two exceptions to the double approval policy, in the United Kingdom and Netherlands bilateral agreements. With both of the exceptions, designated carriers were given the latitude to set some international prices without the requiring the approval of both governments, party to the bilateral agreements. In summary, although double approval of tariffs and multilateral price-setting remain key elements of most recent Canadian air bilaterals, there has been a movement away from these restrictive measures to bilateral wording reflecting more market-based price-setting.

## VI. Route Schedules

Routes allocated to Canadian carriers and to the carriers of Canada's bilateral partners are outlined in annexes to the bilateral agreements. The route allocations examined for this paper were generally made on the basis of strict reciprocity. If a Canadian carrier is allocated the route: Points in Canada - Intermediate Points - Points in the country of the bilateral partner - Beyond Points; then the bilateral partner carrier is provided a mirror route: Points in the country of the bilateral partner - Intermediate Points - Points in Canada - Beyond Points.<sup>41</sup> If the Canadian carrier is allowed to operate to only one point in the foreign country, then the bilateral partner's carrier is often allowed to operate to only one point in Canada.

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<sup>40</sup> Canada, Transport Canada, "Canada's International Air Transportation Policy", *op. cit.*, p. 4.

<sup>41</sup> See, for example, the route schedule in the bilateral between Canada and Hong Kong; Canada, "Air Agreement Between Canada and Hong Kong (with Annex)", *op. cit.*